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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca | *Issue: 10-20* | *May 21st, 2010*

- **Inflation rate climbs to 1.0% in April as energy prices soar 10.9%**
- **Retail sales up 0.6%; wholesalers post 2.1% jump in March**
- **BC Public school enrolment down**

Prices

- **British Columbia's year-over-year inflation rate climbed to 1.0% in April (up from 0.5% in March) as the cost of energy products jumped 10.9%.** Excluding energy, the overall increase in the Consumer Price Index (CPI) would have been just 0.1%.

  Transportation costs rose 4.0% with prices for private (+5.0%) transportation increasing substantially as gasoline prices accelerated (+12.7%). Meanwhile, prices for public transportation (-3.7%) continued to decline.

  The cost of shelter (+0.2%) was slightly higher, as decreases in the cost for home and mortgage insurance (-11.1%) and owned accommodation (-2.2%) were outweighed by climbing prices for utilities. Indeed, fuel oil (+18.6%) water (+11.0%), electricity (+9.0%), and natural gas (+7.0%) were all notably pricier than in the same month of last year.

  Food also took a slightly bigger bite (+0.3%) out of the household budget in April, pushed up by climbing prices for food purchased from restaurants (+2.0%). On the other hand, store-bought food declined 0.5%, as the cost of meat (-1.2%), fresh veggies (-2.4%) and fruit (-5.3%) were markedly lower.

  Inflation rates in Vancouver (+1.4%) were somewhat higher than the BC average in April while Victoria's (+0.4%) was notably lower.

  Data Source: Statistics Canada

- **BC's Consumer Price Index (CPI) was well under that for the nation as a whole (+1.8%) last month.** The year-over-year inflation rate climbed in every province, most notably in the four Atlantic provinces. Inflation rates were also substantially higher in Ontario (+2.2%), Saskatchewan (+2.1%) and Quebec (+1.9%). Pronounced increases in gasoline prices (+16.3%) and the cost of purchasing a passenger vehicle (+5.3%) were among the main sources of upward pressure on the national all-items index. *Data Source: Statistics Canada*

The Economy

- **The number of British Columbians receiving regular employment insurance (EI) benefits was 80,020 in March, just slightly lower (-0.1% *seasonally adjusted*) than the previous month.** With the exception of PEI (+0.6%), all provinces recorded a decline in recipients, such that the number of beneficiaries nationwide dropped by 3.5% (to 668,060). The most substantial shrinkages were seen in Ontario (-5.9% from February) and Alberta (-5.6%).

  Data Source: Statistics Canada

- **Retail sales in the province inched up (+0.6%, *seasonally adjusted*) in March, following a flat February.** Canadian sales climbed (+2.1%) for the fourth consecutive month, largely the result of higher sales at motor vehicle and parts dealers (+3.6%). Sales were up in all provinces with Newfoundland & Labrador (+3.1%), Quebec (+2.8%) and Ontario (+2.7%) leading the pack.

  Data Source: Statistics Canada

- **British Columbia's wholesalers saw sales climb 2.1% (*seasonally adjusted*) in March, marking the fifth increase in the past six months.**

  Nationally, the upward trend also continued, with wholesale sales advancing 1.4%. Most

Report | **Economic Downturn Kept the Lid on Container Traffic in 2009**

Did you know...

A teenage girl will typically send and receive 80 text messages a day, while a typical teenage boy will have less than half the volume (30 a day). Source: Pew Research Center

sectors continued to see increased sales, most notably for building materials and machinery equipment & supplies. Atlantic Canada and the Prairie provinces benefitted the most from the upturn in March, but sales were also stronger in every province. The overall national increase in March helped push wholesale sales 10.3% higher than in the same month of last year. *Data Source: Statistics Canada*

Education

- **In the 2007/08 school year, enrolment in British Columbia public elementary and secondary schools was 571,417, down 8.3% from 2001/02 (based on headcount enrolments).** Public school enrolment in the province has declined in every year since 2001/02.

Over the same period, BC's population has grown 5.7% to 4.3 million. Conversely, total expenditures per student in BC public elementary and secondary schools amounted to $ 9,919 (in 1992 constant dollars) in 2007/08, 20.4% higher than in 2001/02. Expenditures per student have been rising steadily since 2004/05.

Nationally, the number of students enrolled at public schools has also decreased over the same span, and stood at 5.1 million in the 2007/08 school year (-4.5% from 2001/02). Alberta (+2.0%) and Nunavut (+3.3%) were the only two jurisdictions to see enrolment increases. Overall, enrolment declined in the four Atlantic provinces faster than any other province. This is consistent with population estimates, which show that the school-aged population (aged 5 to 17) shrank at similar rates over the same period.

Although total enrolment across Canada continued to drop off, second language immersion programs in public elementary and secondary schools saw steady boosts in enrolment every year. Similarly, despite declining enrolments across the country, the total number of educators (full-time equivalent) continues to increase. In the 2007/08 school year, there were approximately 333,000 educators in Canada, up 5.2% from 2001/02. In BC, however, the number of educators has declined significantly (-5.9%) over the same period. *Data Source: SC, Catalogue 81-595-MIE*

Divorce

- **In 2008/09, there were just over 11,000 new divorce cases initiated in BC, 2.9% fewer than in 2005/06.** New cases represented about half of all divorce cases proceeding through civil court in the province in 2008/2009. In addition to new cases, courts process ongoing divorce cases, or cases that had been initiated in a prior year.

In 2005 (the latest year for which data is available), BC's crude divorce rate (number of divorces per 100,000 population) was 234, the second highest of the provinces. Alberta had the highest divorce rate in the country, while Newfoundland & Labrador was at the opposite end of the spectrum (154).

Nationally, after a spike in 1987, rates declined and then levelled off through the 1990s. Crude divorce rates have since continued a downward trend, reaching 221 divorces per 100,000 population in 2005.

Data Source: SC, Catalogue 81-002-XIE

Motion Picture Theatres

- **British Columbia's motion picture theatres sold over 15.3 million tickets in 2008, down 2.1% from the previous year.** Decreased admissions at the province's 106 cinemas (including indoor theatres and drive-ins), helped pull the operating profit margin down to 8.4%, substantially lower than its 2007 level (11.6%). Of the $204 million in revenue at theatres in BC, 65% came from ticket sales, while 29% was from customer spending on food and beverages.

Nationally, large theatre chains continue to dominate the motion picture industry. Business at the top five chain-operated theatre companies accounted for 83% of all revenue generated in the industry.

Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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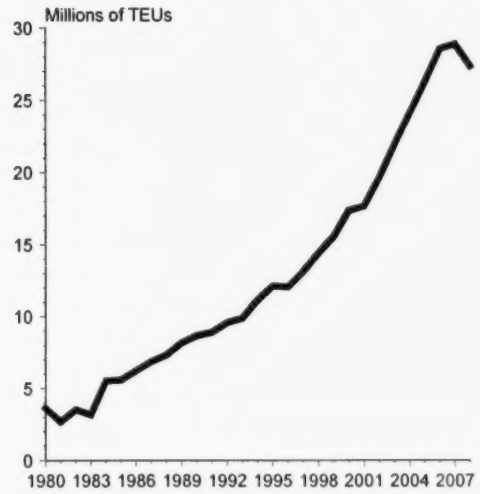
originally published in
Exports Issue 10-02

Economic Downturn Kept the Lid on Container Traffic in 2009

The global economic downturn has had a dampening effect on international trade as both consumer and industrial demand for goods has slumped, halting a more than 20-year period of almost steady growth in container cargo traffic on the Pacific Coast of North America. From 1980 through 2007, container traffic in Pacific Coast ports in North America climbed almost 700% before the economic downturn resulted in a 5% decline in 2008[1]. While comprehensive 2009 data are not yet available, based on the figures from several major ports that have published 2009 numbers, there was likely a further drop in container traffic of somewhere around 10 to 15% in 2009.

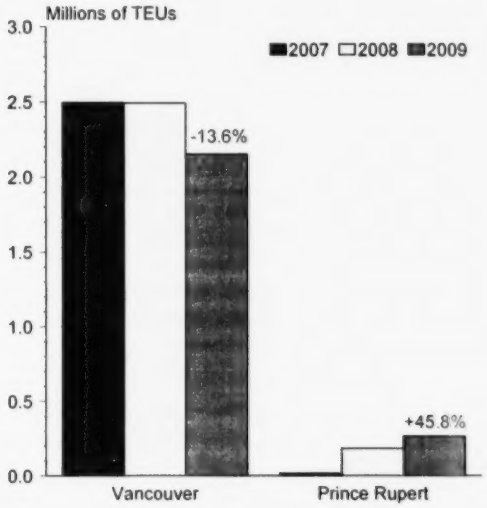
Container traffic on the Pacific Coast of North America has skyrocketed since 1980



Source: American Association of Port Authorities

Port Metro Vancouver handled 13.6% fewer containers in 2009, a drop of almost 340,000 TEUs[2]. The largest component of the decline was an 18.7% drop in loaded inbound containers (approximately 231,000 TEUs). In fact, containers laden with goods for export actually experienced a slight increase (+1.1%). There was a significant drop in traffic of empty containers from the port (-35.0%), but the decline was entirely due to a drop in outbound empty containers (-63.1%) as inbound empty containers more than doubled (+106.5%).

Vancouver saw a drop in container traffic in 2009, while Prince Rupert experienced growth



Source: Port Metro Vancouver, Prince Rupert Port Authority

While Vancouver saw a drop in container traffic, the relatively new facility in Prince Rupert experienced strong growth of 45.8%, handling over 265,000 TEUs in 2009. However, this is still just over half its annual 500,000 TEU capacity.

[1] Source: American Association of Port Authorities.

[2] A TEU is a twenty-foot equivalent unit, which is the standard measure of container traffic based on the length of a container (e.g., a 40-foot container would be two TEUs).

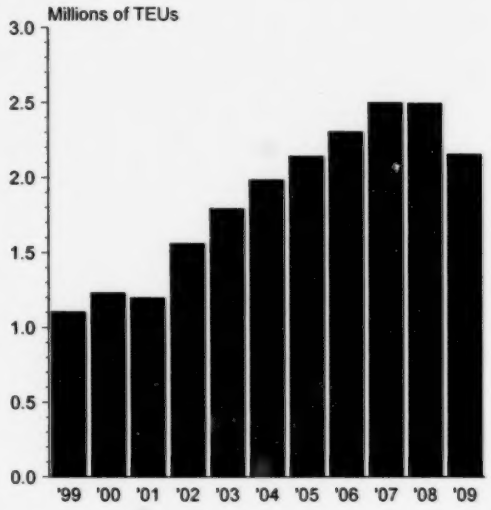
The container facility at Prince Rupert was conceived during a period when container traffic was growing exponentially and demand was starting to exceed capacity at Pacific Coast ports, such that congestion at these ports was causing delays and forcing some shippers to eschew them altogether and move their merchandise through the Panama Canal to East Coast ports. As a result of the slump in container traffic accompanying the economic downturn, this problem of port congestion has temporarily abated. It has also led to a postponement of expansion plans for the Prince Rupert container facility.

Originally, phase two of the plan was to quadruple the container facility's capacity to two million TEUs with construction starting in 2010, but given that the port is not yet operating close to capacity and overall container traffic is still well down, the expansion plans have been delayed for at least a year.

At Port Metro Vancouver[3], a third berth was recently completed at Deltaport, which has expanded container capacity by 600,000 TEUs per year. There are further plans for a new container terminal on Roberts Bank that would add an additional 1.9 million TEUs of capacity, but given the recent slowdown in demand and protests over environmental concerns, the timing of that new facility is uncertain.

The expansion plans for Vancouver were developed in response to the phenomenal growth in container traffic between North America and other regions of the Pacific Rim. Much of this growth was generated as a result of globalization of manufacturing and the emergence of Asian countries such as China as economic powerhouses. Before stalling in 2008 and then dropping in 2009, container traffic at Vancouver's ports had experienced several years of strong growth.

After years of strong growth, container traffic at Port Metro Vancouver slumped in 2009



Source: Port Metro Vancouver

Vancouver and Prince Rupert are not the only Pacific Coast ports with expansion plans. Both Los Angeles and Long Beach are looking at port expansion, including adding container capacity. The projects have been held up due to environmental concerns, but the ports developed a Clean Air Action Plan that could clear the way for expansion to proceed. Elsewhere, there are several projects in Mexico that could add substantial container capacity. The new facility at Lazaro Cardenas is expected to boost its capacity from around 700,000 TEUs to 2 million. There are also plans for a new container facility at Guaymas and a massive 6 million TEU port at Punta Colonet on the Baja peninsula. The port is expected to be the centrepiece of a new city of a quarter million people on the site of the town with a current population of less than 10,000. Both Guaymas and Punta Colonet are being designed to act as intermodal facilities serving the US market.

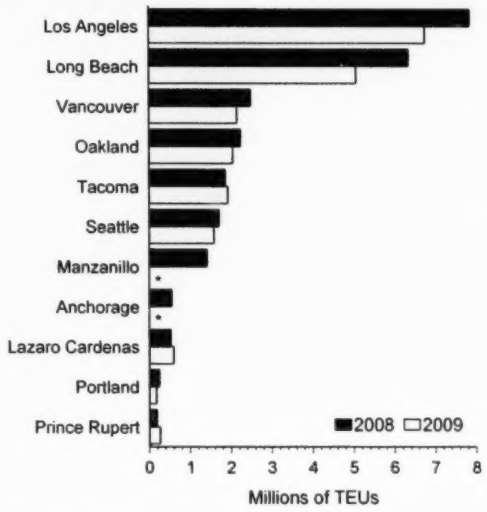
[3] The Port of Vancouver merged with the Fraser River ports at the beginning of 2008 to form a new entity called Port Metro Vancouver.

The Mexican ports are not likely to compete directly with BC ports, but Los Angeles/Long Beach and other American ports on the West Coast do represent direct competition, particularly for Prince Rupert. This is because Prince Rupert's primary market is the US Midwest, whereas Vancouver's ports service mainly the Canadian market.

Prince Rupert does have some significant advantages over the American ports: It has the deepest natural harbour on the West Coast and is ice-free all year long, it is at least a couple days closer to key Asian markets in terms of sailing time, it has extensive rail connections and there are none of the congestion problems that have been experienced at other ports.

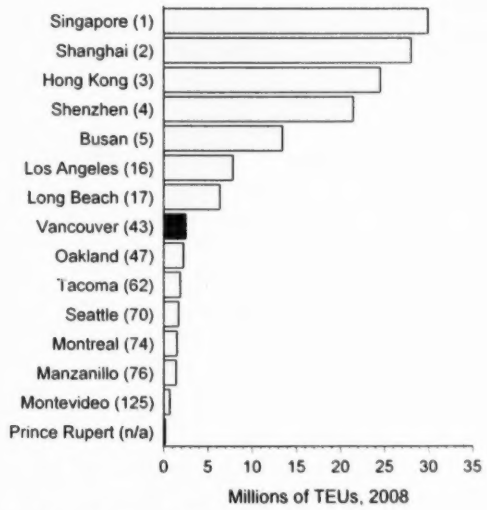
In 2009, Prince Rupert leapfrogged Portland, Oregon in terms of the volume of containers handled by the port, which was enough to rank it tenth among container ports on the Pacific Coast of North America. Port Metro Vancouver, as a result of expansion and the merge with the Fraser River ports, has become the third largest container port on the Pacific Coast, just ahead of Oakland, but well behind the large ports in Los Angeles and Long Beach. However, on a global scale, the container traffic at the Vancouver and Prince Rupert ports is still small relative to the world's largest ports in Asia.

Prince Rupert jumped ahead of Portland in 2009 to rank 10th in terms of container traffic on the Pacific Coast of North America



* 2009 data unavailable
Source: American Association of Port Authorities (2008), Individual Port Authorities (2009)

Vancouver and Prince Rupert container traffic is still tiny compared to the world's largest container ports



Note: World ranking in brackets after country name
Source: American Association of Port Authorities, Prince Rupert Port Authority

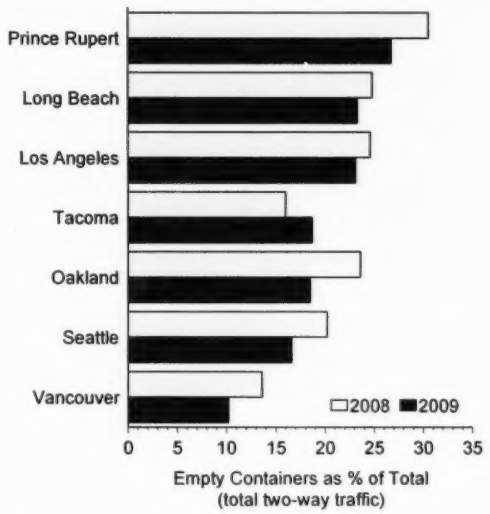
In 2008, Vancouver ranked as the 43rd largest container port in the world, with only one twelfth the volume of container traffic compared to Singapore, the top ranked port. Even if it had been operating at full capacity, Prince Rupert would still have failed to crack the top 125 container ports. In actual fact, operating at about 36% capacity in 2008, it handled only about a quarter the volume as the port at Montevideo, which was the 125th ranked port.

Nevertheless, the strong growth in 2009 in the face of a global downturn in demand is a sign that Prince Rupert should be able to approach capacity as container traffic picks up in conjunction with economic recovery. There is little doubt that the planned expansion for this port will eventually occur given the advantages offered by Prince Rupert and the infrastructure that has been put into place. For instance, rail lines and equipment have been upgraded and an intermodal rail terminal was constructed in Prince George designed to load containers with export goods to be carried on backhaul routes. Such a facility helps maximize revenue for the port and shippers alike as there will be fewer empty containers heading outbound.

This is one area where Vancouver has a definite advantage over other Pacific Coast ports. Unlike Los Angeles and Long Beach, which are heavily weighted to dealing with imports, Vancouver has significant traffic in exported goods as well, such that it has far fewer empty containers leaving the port. Having the containers at least partially full helps offset the cost of the return voyage.

In 2009, only 10.2% of containers handled at the Vancouver port were empty. Oddly enough, there were slightly more inbound empty containers than there were outbound empties. This was quite a change from a year earlier when approximately 83% of empty containers handled by the port were outbound. The explanation for this unusual situation is likely related to the fact that the demand for exports shipped by container remained static, even increasing slightly, while imports shipped by container fell dramatically. As a result, there were fewer empty outbound containers, while the number of inbound containers increased.

Vancouver has significantly fewer empty containers compared to most West Coast ports



Source: Individual Port Authorities

The types of imported goods shipped by container through Vancouver are generally manufactured goods, particularly household items, whereas exported goods transported in containers through Port Metro Vancouver tend to be resource products, such a pulp, lumber, metals and so on.

Of the containers handled at the Prince Rupert port in 2009, 26.7% were empty. Despite the new intermodal facility in Prince George, virtually all the empty containers were outbound. For the major American ports of Long Beach, Los Angeles, Seattle, Tacoma and Oakland, the ratio of empty containers ranged from 18.5% to 23.3% in 2009, all substantially higher than that of Vancouver. The one interesting thing to note is that

the percentage of empty containers has been trending downward over the last several years, indicating that ports and shipping companies are making more efficient use of their resources.

While the global economic downturn definitely resulted in a decline in the volume of container traffic worldwide, it is probable that as the economy turns around, container volumes will rise once again. It is unlikely that the globalization that has occurred in the last couple of decades will suddenly be reversed, such that there would be a permanent decline in container shipping. Rather, there will probably be a gradual return to growth in traffic, which in turn will once again put expansionary pressure on Pacific Coast ports.

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Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jan1/2010	% change on one year ago
BC	4,494.2	1.6
Canada	33,930.8	1.2
GDP and INCOME (Revised Nov 9)		% change on
(BC - at market prices)	2008	one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Mar 2010	2,994	3.8
Merchandise Exports - Mar 2010	2,290	1.5
Retail Sales - Mar 2010	4,869	0.6
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Apr 2010)	one year ago	% change
BC	1.0	-0.1
Vancouver	1.4	0.1
Victoria	0.4	-0.1
Canada	1.8	0.5
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Apr 2010	prev. month
Labour Force - BC	2,483	-0.1
Employed - BC	2,303	0.6
Unemployed - BC	181	-7.5
		Mar 2010
Unemployment Rate - BC *(percent)*	7.3	7.9
Unemployment Rate - Canada *(percent)*	8.1	8.2
INTEREST RATES (percent)	May 19/2010	May 20/2009
Prime Business Rate	2.25	2.25
Conventional Mortgages - 1 year	3.70	3.90
- 5 year	6.10	5.25
US-CANADA EXCHANGE RATE	May 19/2010	May 20/2009
(avg. noon spot rate) Cdn $ per US $	1.0515	1.1434
(closing rate) US $ per Cdn $	0.9577	0.8769
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Apr 2010	one year ago
BC	820.44	2.3
Canada	814.38	1.8

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Labour Market Information Gateway

A new gateway with links to labour market information is now available. The labour market information gateway features access to a variety of data sources, articles, and reports containing labour market information for British Columbia in one convenient location.

www.bcstats.gov.bc.ca/data/lss/lmi_gate.asp

Quarterly Indicators for BC Economy

A new table with data for key quarterly indicators for the BC economy is now available. The table offers a quick look at the quarterly change in selected economic and demographic variables that provide an indication of the strength or weakness of the BC economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/qinds.asp

BC's Solid Waste Flow, 2006

This report examines the source and composition of solid waste in British Columbia. Three key sectors are measured: industrial, commercial and institutional (IC&I); construction, renovation and demolition (CR&D); and residential.

www.bcstats.gov.bc.ca/data/env/SolidWaste06.pdf

Socio-Economic Profiles

The 2009 Socio-Economic Profiles now available. These profiles consist of charts and tables for a number of geographic overlays of BC. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

Released this week by BC Stats

- Business Indicators, April 2010
- Exports, March 2010
- Consumer Price Index, April 2010
- Economic Statistics Report, May 2010 (New!)

Next week

- Quarterly Regional Statistics, 1st Quarter 2010
- Business Indicators, May 2010
- Current Statistics, May 2010

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